

**Carlsbad Tourism and Business Improvement District (CTBID)**  
**Annual Report**  
**2009-2010**

**Method of Assessment:** The CTBID includes all hotel businesses located within the CTBID boundaries. The assessment shall be levied on all hotel businesses, existing and future, within the City of Carlsbad based upon a flat fee of \$1.00 per occupied room per night for all transient occupancies as defined in section 3.12.020(7) of the Carlsbad Municipal Code. The amount of assessment shall be separately stated from the amount of the rent and other taxes charged, and each transient shall receive a receipt for payment from the operator. The assessment will be remitted monthly, based on \$1.00 per occupied room per night in revenues for the previous month.

**Assessment Funding Purpose:** To administer marketing and visitor programs to promote the City of Carlsbad as a tourism visitor destination and to fund projects, programs, and activities, including appropriate administrative charges, that benefit hotels within the boundaries of the District.

**2009-10 Work Plan:** During the 2008-09 fiscal year the CTBID Board contracted with Reint Reinders and Associates (RR&A) to conduct a study on how Carlsbad tourism sales, marketing and visitors services should be conducted going forward. This study began in April 2008. Based on this study, Mindgruve advertising agency was hired to develop and implement a detailed marketing and branding plan. An aggressive Spring and Summer on-line marketing campaign is currently underway. The results of that campaign will determine the course future marketing campaigns.

As part of the work done by RR&A, a new name, new executive director, new bylaws and a new Board of Directors were implemented for the Carlsbad Convention and Visitors Bureau. This organization, now doing business as VisitCarlsbad will be fully operational starting July 1, 2009. The CTBID budget for 2009-10 includes \$722,895 in funding for this organization. The services provided will focus primarily on driving demand in the leisure market segment and secondarily the meetings market. Funding also includes managing the visitor center and publications. The visitcarlsbad website will be redesigned and used as the primary distribution channel for new business opportunities for CTBID properties.

The CTBID 2009-10 budget also includes \$72,000 funding for Reint Reinders in Associates. The services provided by RR&A will include managing the Mindgruve marketing campaign, monitoring the execution of the action plan by VisitCarlsbad and mentoring the new VisitCarlsbad executive director. RR&A will report back to the CTBID board on a regular basis on the performance of both Mindgruve and VisitCarlsbad over the next fiscal year to ensure their recommendations get implemented as planned.

2009-10 CTBID Budget

Program Areas	Description	2008-09 Budget	Current 2008-09 Actuals	Projected 2008-09 Actuals	Recommended 2009-10 Budget
Carryover Fund Balance		\$546,800		546,800	155,443
<u>Revenues:</u>					
CTBID Assessment	\$1 per room night	775,000	654,996	776,000	775,000
Interest Earnings		10,000	9,462	12,107	10,000
Total Estimated Revenues		785,000	664,458	787,107	785,000
<u>Expenditures:</u>					
2% Admin. Fee - City	2% of CTBID assessment revenue, for collection of CTBID assessment and accounting for CTBID	16,500	10,780	16,500	16,500
CCVB Payment	To operate visitor center, market and promote Carlsbad	448,800	299,200	448,800	722,895
SDNCVB Payment	To provide group sales	110,000	73,333	110,000	0
RR&A Contract	Reint Reinders and Associates Consulting	120,000	69,400	120,000	72,000
Staff support	Staff support to the CTBID	16,500	15,442	16,500	16,500
CTBID Grants	Grant program established by CTBID Board	40,000	6,664	16,664	20,000
Mindgruve contract	Spring Marketing Campaign	350,000	187,958	350,000	0
Mindgruve contract	Endless Summer Marketing Campaign	100,000	0	100,000	0
Contingency	To be determined by the CTBID Board at a later date	0	0	0	0
Total Expenses		1,201,800	662,777	1,178,464	847,895
Ending Fund Balance	Contingency for Revenue shortfall	\$130,000		155,443	92,548

\* The Carlsbad Convention and Visitors Bureau is the corporate entity. The Bylaws have been changed during 2009 to an organization that now has seven Board members and the dba "Visit Carlsbad".